

# Public Employee Retirement System

<b>DIVISION SUMMARY:</b>	<b>FY 2005 Total Appr</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Total Appr</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>	<b>FY 2007 Approp</b>
<b>BY PROGRAM</b>						
Administration	8,362,100	5,695,700	7,938,300	5,676,200	5,625,500	5,640,900
Portfolio Investment	649,700	564,200	672,800	749,100	742,400	745,000
Total:	9,011,800	6,259,900	8,611,100	6,425,300	6,367,900	6,385,900
<b>BY FUND SOURCE</b>						
Dedicated	9,011,800	6,259,900	8,611,100	6,425,300	6,367,900	6,385,900
Percent Change:		(30.5%)	37.6%	(25.4%)	(26.1%)	(25.8%)
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	3,365,900	3,231,000	3,592,800	3,638,900	3,473,700	3,582,300
Operating Expenditures	5,456,700	2,898,400	4,888,900	2,674,500	2,784,300	2,693,700
Capital Outlay	189,200	130,500	129,400	111,900	109,900	109,900
Total:	9,011,800	6,259,900	8,611,100	6,425,300	6,367,900	6,385,900
Full-Time Positions (FTP)	63.00	63.00	63.00	65.00	63.00	63.00

In accordance with Idaho Code §67-3519, this division is authorized no more than 63.00 full-time equivalent positions at any point during the period July 1, 2006 through June 30, 2007 for the programs specified.

	<b>FTP</b>	<b>Gen</b>	<b>Ded</b>	<b>Fed</b>	<b>Total</b>
<b>FY 2006 Original Appropriation</b>	<b>63.00</b>	<b>0</b>	<b>6,347,600</b>	<b>0</b>	<b>6,347,600</b>
Reappropriations	0.00	0	2,200,000	0	2,200,000
One-time 1% Salary Increase H395	0.00	0	28,800	0	28,800
Omnibus CEC Supplemental S1263	0.00	0	34,700	0	34,700
<b>FY 2006 Total Appropriation</b>	<b>63.00</b>	<b>0</b>	<b>8,611,100</b>	<b>0</b>	<b>8,611,100</b>
Removal of One-Time Expenditures	0.00	0	(2,493,400)	0	(2,493,400)
<b>FY 2007 Base</b>	<b>63.00</b>	<b>0</b>	<b>6,117,700</b>	<b>0</b>	<b>6,117,700</b>
Benefit Costs Including H844	0.00	0	(50,000)	0	(50,000)
Inflationary Adjustments	0.00	0	48,200	0	48,200
Replacement Items	0.00	0	124,900	0	124,900
Statewide Cost Allocation	0.00	0	4,700	0	4,700
Change in Employee Compensation H844	0.00	0	55,400	0	55,400
<b>FY 2007 Program Maintenance</b>	<b>63.00</b>	<b>0</b>	<b>6,300,900</b>	<b>0</b>	<b>6,300,900</b>
Line Items	0.00	0	85,000	0	85,000
<b>FY 2007 Total</b>	<b>63.00</b>	<b>0</b>	<b>6,385,900</b>	<b>0</b>	<b>6,385,900</b>
% Chg from FY 2006 Orig Approp.	0.0%		0.6%		0.6%
% Chg from FY 2006 Total Approp.	0.0%		(25.8%)		(25.8%)

# I. Public Employee Retirement System: Retirement Administration

**STARS Number & Budget Unit:** 183 GVFA

**Bill Number & Chapter:** H810 (Ch.337), H844 (Ch.375), S1263 (Ch.1)

PROGRAM DESCRIPTION: The Public Employee Retirement System of Idaho (PERSI) administers a defined benefit retirement plan that is mandatory for all eligible state employees, school district employees, and for employees of political subdivisions which have elected to participate. PERSI also administers a defined contribution plan that provides a 401(k) plan to all members who are eligible. In years which investment earnings and total defined benefit plan assets sufficiently exceed one standard deviation reserve, the PERSI board may declare a portion of the excess earnings as gain sharing. [Statutory Authority: Idaho Code §59-1301 et seq.]

<b>PROGRAM SUMMARY:</b>	<b>FY 2005 Total Appr</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Total Appr</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>	<b>FY 2007 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	8,362,100	5,695,700	7,938,300	5,676,200	5,625,500	5,640,900
Percent Change:		(31.9%)	39.4%	(28.5%)	(29.1%)	(28.9%)
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	2,934,000	2,823,500	3,136,500	3,162,500	3,002,000	3,108,000
Operating Expenditures	5,254,400	2,744,600	4,689,400	2,418,800	2,528,600	2,438,000
Capital Outlay	173,700	127,600	112,400	94,900	94,900	94,900
Total:	8,362,100	5,695,700	7,938,300	5,676,200	5,625,500	5,640,900
Full-Time Positions (FTP)	59.00	59.00	59.00	61.00	59.00	59.00

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2006 Original Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>5,683,500</b>	<b>0</b>	<b>5,683,500</b>
Reappropriations	0.00	0	2,200,000	0	2,200,000
One-time 1% Salary Increase H395	0.00	0	25,000	0	25,000
Omnibus CEC Supplemental S1263	0.00	0	29,800	0	29,800
<b>FY 2006 Total Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>7,938,300</b>	<b>0</b>	<b>7,938,300</b>
Removal of One-Time Expenditures	0.00	0	(2,457,100)	0	(2,457,100)
<b>FY 2007 Base</b>	<b>59.00</b>	<b>0</b>	<b>5,481,200</b>	<b>0</b>	<b>5,481,200</b>
Benefit Costs Including H844	0.00	0	(44,500)	0	(44,500)
Inflationary Adjustments	0.00	0	44,400	0	44,400
Replacement Items	0.00	0	109,900	0	109,900
Statewide Cost Allocation	0.00	0	2,300	0	2,300
Change in Employee Compensation H844	0.00	0	47,600	0	47,600
<b>FY 2007 Maintenance (MCO)</b>	<b>59.00</b>	<b>0</b>	<b>5,640,900</b>	<b>0</b>	<b>5,640,900</b>
1. Convert IT from Contract Emp. to Staff	0.00	0	0	0	0
<b>FY 2007 Total Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>5,640,900</b>	<b>0</b>	<b>5,640,900</b>
% Change From FY 2006 Original Approp.	0.0%		(0.7%)		(0.7%)
% Change From FY 2006 Total Approp.	0.0%		(28.9%)		(28.9%)

SUPPLEMENTALS: H395 provided a one-time 1% Change in Employee Compensation (CEC) increase that was contingent upon the General Fund balance at the end of fiscal year 2005. In addition, S1263 provided an early 3% ongoing CEC beginning in February of 2006 for 10 pay periods.

APPROPRIATION HIGHLIGHTS: Benefit costs were adjusted to provide that one medical insurance premium holiday and seven life insurance premium holidays be paid from reserves. JFAC also stipulated that increases in health insurance costs be paid from reserves. An inflationary increase of 1.9% was provided for operating expenditures. Replacement items included software upgrades, four servers, 40 personal computers, five printers, and other miscellaneous office equipment. Statewide cost allocation reflected changes in Attorney General, Controller and Treasurer fees, and risk management rates. In addition to benefit funding, H844 funded CEC costs for the remaining 16 pay periods in FY 2007. This budget included a shift of \$90,600 from operating expenditures to personnel costs for the purpose of shifting contract IT staff to permanent staff within existing FTP.

<b>FY 2007 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-01 PERSI Administrative	59.00	3,108,000	2,423,000	0	0	0	5,531,000
OT D 0550-01 PERSI Administrative	0.00	0	15,000	94,900	0	0	109,900
Totals:	59.00	3,108,000	2,438,000	94,900	0	0	5,640,900

## II. Public Employee Retirement System: Portfolio Investment

**STARS Number & Budget Unit:** 183 GVFB, 183 GVFC(Cont), 183 GVFD(Cont)

**Bill Number & Chapter:** H810 (Ch.337), H844 (Ch.375), S1263 (Ch.1)

PROGRAM DESCRIPTION: The Portfolio Investment program manages PERSI assets to realize secure long-term returns on investments while minimizing risk with a goal of providing the funds necessary to meet retirement plan obligations. Since FY 1996, the administrative costs of the Portfolio Investment Program have been appropriated annually, while the remaining investment costs operate under a continuous appropriation. [Statutory Authority: Idaho Code §59-1301 et seq.]

<b>PROGRAM SUMMARY:</b>	<b>FY 2005 Total Appr</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Total Appr</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>	<b>FY 2007 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	649,700	564,200	672,800	749,100	742,400	745,000
Percent Change:		(13.2%)	19.2%	11.3%	10.3%	10.7%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	431,900	407,500	456,300	476,400	471,700	474,300
Operating Expenditures	202,300	153,800	199,500	255,700	255,700	255,700
Capital Outlay	15,500	2,900	17,000	17,000	15,000	15,000
Total:	649,700	564,200	672,800	749,100	742,400	745,000
Full-Time Positions (FTP)	4.00	4.00	4.00	4.00	4.00	4.00
<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>	
<b>FY 2006 Original Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>664,100</b>	<b>0</b>	<b>664,100</b>	
One-time 1% Salary Increase H395	0.00	0	3,800	0	3,800	
Omnibus CEC Supplemental S1263	0.00	0	4,900	0	4,900	
<b>FY 2006 Total Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>672,800</b>	<b>0</b>	<b>672,800</b>	
Removal of One-Time Expenditures	0.00	0	(36,300)	0	(36,300)	
<b>FY 2007 Base</b>	<b>4.00</b>	<b>0</b>	<b>636,500</b>	<b>0</b>	<b>636,500</b>	
Benefit Costs Including H844	0.00	0	(5,500)	0	(5,500)	
Inflationary Adjustments	0.00	0	3,800	0	3,800	
Replacement Items	0.00	0	15,000	0	15,000	
Statewide Cost Allocation	0.00	0	2,400	0	2,400	
Change in Employee Compensation H844	0.00	0	7,800	0	7,800	
<b>FY 2007 Maintenance (MCO)</b>	<b>4.00</b>	<b>0</b>	<b>660,000</b>	<b>0</b>	<b>660,000</b>	
2. Portfolio Management Expense Increase	0.00	0	85,000	0	85,000	
<b>FY 2007 Total Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>745,000</b>	<b>0</b>	<b>745,000</b>	
% Change From FY 2006 Original Approp.	0.0%		12.2%		12.2%	
% Change From FY 2006 Total Approp.	0.0%		10.7%		10.7%	

SUPPLEMENTALS: H395 provided a one-time 1% Change in Employee Compensation (CEC) increase that was contingent upon the General Fund balance at the end of fiscal year 2005. In addition, S1263 provided an early 3% ongoing CEC beginning in February of 2006 for 10 pay periods.

APPROPRIATION HIGHLIGHTS: Benefit costs were adjusted to provide that one medical insurance premium holiday and seven life insurance premium holidays be paid from reserves. JFAC also stipulated that increases in health insurance costs be paid from reserves. An inflationary increase of 1.9% was provided for operating expenditures. Replacement items included four personal computers, a fax, and a printer. Statewide cost allocation reflected changes in Attorney General, Controller and Treasurer fees, and risk management rates. In addition to benefit funding, H844 funded CEC costs for the remaining 16 pay periods in FY 2007. This budget also included \$85,000 to cover administrative cost increases associated with the portfolio management.

<b>FY 2007 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-02 PERSI Special	4.00	474,300	255,700	0	0	0	730,000
OT D 0550-02 PERSI Special	0.00	0	0	15,000	0	0	15,000
Totals:	4.00	474,300	255,700	15,000	0	0	745,000